

Course Descriptions Bachelor 2021-2022

Course Title	Managerial Finance and Accounting							
Course Code	EBC2165							
ECTS Credits	6,5							
Assessment	Whole/Half Grades							
Period	Period	Start	End	Mon	Tue	Wed	Thu	Fri
	1	30-8-2021	15-10-2021	X	L		X	
Level	no level							
Coordinator	Stefanie Kleimeier, Katlijn Haesebrouck For more information:s.kleimeier@maastrichtuniversity.nl; r.kaenen@maastrichtuniversity.nl							
Language of instruction	English							
Goals	<ul style="list-style-type: none">* Understand what finance theory says about the choice between debt and equity finance for a firm. Compare these theoretical predictions with corporate reality.* Understand a firm's payout policy: Why do firms pay dividends? Do investors demand dividends? Should dividends matter for the firm or the investor? How do dividends compare to share repurchases?* Learn about derivatives, their pricing and use by firms and investors.* Identifying what the costs of different business activities are* Decision making using cost-benefit guidelines. What is the most profitable way of organizing my business? What kind of information is relevant for certain decisions, and which kind is not?* Analyzing why cost-benefit estimations do not turn out to be as planned (Budgeting and variance analysis). Where did we go wrong and who is responsible for it?							
Description	<p>The first part deals with basic issues in finance, such as capital structure, dividend policy and derivatives. In particular, building on the finance knowledge presented in the first year of your studies, we will now provide you with additional concepts in the two main areas of finance: corporate finance and financial markets. Regarding corporate finance, this course builds on the basic concepts of investment decision making within a company and the role of the cost of capital of a firm and proceeds to discuss the relevance of an optimal corporate strategy regarding the choice between debt and equity and between dividends and retained earnings. Regarding financial markets and following the discussion of basic financial instruments such as stocks and bonds in the first year, this course now proceeds to more complex financial instruments including futures and options. After investigating the specific characteristics of these derivatives, their payoff structures and pricing will be the focus of attention.</p> <p>The second part deals with management accounting and addresses three areas: (1) cost accounting, (2) decision-making, and (3) planning and evaluation. In cost accounting, we study how different sorts of costs can be related to business activities, which is often not straightforward. The next area, decision-making, helps to attach a 'financial meaning' to actions and outcomes, in order to make decisions that affect firm profitability in the most positive way. Finally, in planning and evaluation, we will address the use and analysis of budgets, and focus on how plans are accounted for.</p>							
Literature	<ul style="list-style-type: none">* Berk and De Marzo, Corporate Finance, 5th edition, Pearson.* Drury, Management and Cost Accounting, 11th edition, Cengage.							
Prerequisites	<p>Students are expected to understand the following finance concepts: Types of securities (stocks, bonds) and their returns; Markowitz' portfolio theory (risk-return relationships, efficient frontier, security market line), CAPM (capital market line, beta); definitions and implications of market efficiency; principles of time value of money; converting accounting figures into cash flows; capital budgeting including NPV, IRR. Although there are no prerequisites for the accounting part of the course, students are expected to be familiar with the main concepts of financial accounting, such as financial statements and cost versus accrual accounting from the first year accounting course.</p> <p>An advanced level of English is required.</p>							
Keywords								
Teaching methods	PBL / Presentation / Lecture / Assignment							
Assessment methods	Participation / Written Exam							
Evaluation in previous academic year	For the complete evaluation of this course please click http://iwio-sbe.maastrichtuniversity.nl/rapporten.asp?referrer=codeUM							
This course belongs to the following programme / specialisation	Bachelor International Business - Emerging Markets				Year 2 Core Course(s)			
	Bachelor International Business				Year 2 Compulsory Course(s)			
	SBE Exchange Bachelor				Bachelor Exchange Courses			
	SBE Exchange Master				Bachelor Exchange Courses			
	SBE Non Degree Courses				Bachelor Courses			